

## European Directive on Tobacco Excise Duties: BAT France Welcomes Progress on Nicotine Alternatives but Warns Against Excessive Taxation and Unilateral Decisions

**Paris – August 18<sup>th</sup> 2025** – BAT France acknowledges the European Commission’s presentation on July 16 of its proposed revision of the Tobacco Excise Directive (TED)<sup>1</sup>, which, for the first time, includes nicotine pouches within the scope of European taxation.

This inclusion is a welcome institutional recognition of these tobacco-free alternatives, used by a growing number of adult smokers seeking to move away from tobacco products.

At the same time, BAT France warns of two major risks: on one hand, disproportionate taxation that could compromise the accessibility of these products; on the other, the temptation by some Member States, including France, to erode the European process by attempting to unilaterally ban these products.

**Sébastien Charbonneau, Director of Public Affairs at BAT France, stated :**

*“It is important that nicotine pouches are recognized in European law. But it is essential to adopt a differentiated tax approach that reflects their potential role in harm reduction for smokers.”*

### Build a European Harm Reduction Policy

In several countries, nicotine pouches have contributed to a significant decline in smoking. In Sweden, their use has helped achieve the lowest smoking rates in Europe (5.4%)<sup>2</sup>. Their inclusion in the TED directive allows for regulation, oversight, and taxation—but should not become a pretext for making them inaccessible through punitive taxation.

### Taxation Aligned with Risk Levels

The Commission’s current proposal envisions very high excise levels on nicotine pouches, without clear distinction from combustible tobacco products. This approach contradicts the principle of proportionality and the public health goals promoted by the Union. Reduced-risk alternatives must be taxed differently.

### Acting in Line with Existing European Frameworks

France, which has notified the Commission of its plan to ban nicotine pouches, risks acting prematurely and in isolation—undermining the coordinated approach needed for such a foundational policy as tobacco regulation, as well as its reduced risk alternatives, in the Union.

This national initiative contradicts:

- the TED directive’s harmonization goal, which is part of discussions on new own resources for the Union under the next Multiannual Financial Framework (MFF),
- the integrity of the single market, by potentially creating trade barriers and encouraging the development of a parallel market in France,

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<sup>1</sup> [Révision de la directive sur la taxation du tabac \(proposition\) - Commission européenne](#)

<sup>2</sup> [Use of tobacco and nicotine products - The Public Health Agency of Sweden](#)

- and regulatory coherence with the Tobacco Products Directive (TPD), currently under review and soon to be debated at the European level.

If nicotine pouches are made illegal in France but can be purchased in other EU markets, it will not stop consumption in France and in fact lead to the creation of an illicit market. By acting unilaterally, France preempts ongoing European discussions, and risks creating legal uncertainty for economic stakeholders.

## France Must Favor an Open Parliamentary Debate and a Coordinated European Approach

More than 50 parliamentarians have already called for a democratic debate on regulating nicotine pouches. Three bills were introduced in the spring. BAT France fully supports this call for democratic transparency and urges alignment of France's position with the Union's objectives: reducing smoking, regulatory coherence, and preserving the integrity of the internal market.

BAT France Calls For:

- Implementing differentiated taxation aligned with product risk levels and compatible with public health goals;
- Enabling a transparent parliamentary debate in France, respectful of democratic processes and European commitments;
- Avoiding any unilateral decision likely to create legal, economic, and political tensions within the European Union.

**END**

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## About BAT

BAT is a leading global multi-category consumer goods business. Underpinned by world-leading science and R&D, our purpose is to create A Better Tomorrow™ by Building a Smokeless World where, ultimately, cigarettes have become a thing of the past. BAT's purpose is backed by Omni™, an evidence-based manifesto for change which captures its commitment and progress.

BAT employs more than 48,000 people and, in 2024, generated revenue of £25.9bn, with an adjusted profit from operations of £11.9bn.

BAT's aim is to have 50 million adult consumers of its Smokeless products by 2030 and generate 50% of its revenue from Smokeless products by 2035. BAT's portfolio is made up of a growing range of nicotine and smokeless tobacco products which include its Vapour brand Vuse; Heated Product brand glo; and Velo, its Modern Oral (nicotine pouch) brand. After only a decade of investment in these products, the Group has delivered New Category revenue of £3.4bn in 2024, with strong progress in profitability. BAT's portfolio reflects our commitment to meeting the evolving and varied preferences of today's adult consumers.

BAT is also reducing the use of natural resources, improving livelihoods, and delivering on its climate goals to be Net Zero across its value chain by 2050. BAT received a Triple A rating from CDP in 2024 for its disclosures on Climate Change, Water Security, and Forests, showcasing its commitment to environmental transparency and action.

*\*Based on the weight of evidence and assuming complete cessation of smoking. These products are not risk-free and are addictive.*

*†Our products as sold in the United States, including Vuse, Velo, Grizzly, Kodiak and Camel Shus, are subject to FDA regulation and no reduced risk claims will be made regarding these products without FDA clearance.*